

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 09983 220404Z

20

ACTION TRSE-00

INFO OCT-01 EA-06 NEA-10 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-02 IO-10 PA-01 PRS-01 /101 W

----- 016404

R 220255Z JUL 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5674

INFO AMEMBASSY KATHMANDU

LIMITED OFFICIAL USE MANILA 9983

USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 7/22/76

TAGS: EAID, EFIN, NP

SUBJECT: PROPOSED ADB TECHNICAL ASSISTANCE (TA) TO NEPAL FOR  
DHANGARHI GROUNDWATER DEVELOPMENT PROJECT

SUMMARY: ADB PROPOSING TO GRANT \$200,000 TO NEPAL TO  
FINANCE FEASIBILITY STUDY OF 8000 HECTARE (HA.) GROUND-  
WATER IRRIGATION PROJECT AT DHANGARHI IN WESTERN TERA  
PLAIN OF NEPAL. PROPOSAL IS FOLLOW-ON TO USADI-FINANCED  
U.S. GEOLOGICAL SURVEY (USGS) TEST WELL-DRILLING INVESTI-  
GATIONS THAT IDENTIFIED PRESENCE IN REGION OF UNDERLYING  
GROUNDWATER UNDER PRESSURE, TECHNICALLY SUITABLE FOR  
YEAR-ROUND IRRIGATION PURPOSES. TA WOULD FORMULATE  
PROPOSED GROUNDWATER DEVELOPMENT PROJECT INCLUDING  
TUBE WELLS, ON-FARM DEVELOPMENT AND RURAL INFRASTRUCTURE;  
DETERMINE FEASIBILITY OF POSSIBLE DEVELOPMENT LOAN TO  
CONSTRUCT PROJECT. USADB RECOMMENDS FAVORABLE NAC  
ACTION. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 09983 220404Z

1. ADB DOC. R56-75 DESCRIBING PROPOSED TA POUCHED  
JULY 18. BOARD CONSIDERATION SCHEDULED AUGUST 7.

2. ADB PROPOSING \$200,000 EQUIVALENT TA GRANT TO  
NEPAL TO DETERMINE FEASIBILITY OF DEVELOPING 8000 HA.  
FIRST PHASE GROUNDWATER DEVELOPMENT PROJECT NEAR  
DHANGARHI, WITHIN 70,000 HA. AREA OF SETI ZONE IN  
WESTERN TERAI. USGS INVESTIGATIONS HAVE DETERMINED  
THAT TUBEWELLS, IF BORED IN AREA, WOULD GUSH WATER LIKE  
FOUNTAINS; OBVIATING NECESSITY FOR PUMPING TO  
PROVIDE YEAR-ROUND IRRIGATION FOR AT LEAST 5 YEARS  
(ARTESIAN ZONE). GIVEN SUITABILITY OF SOILS, EXISTING  
LAND TENURE, OTHER CONSIDERATIONS, PROJECT AREA HAS  
BEEN GIVEN HIGHEST PRIORITY FOR GROUNDWATER DEVELOPMENT  
BY NEPAL GOVT; HAS PRIMA FACIE POTENTIAL FOR SIGNIFICANT  
CONTRIBUTION TO AGRICULTURAL DEVELOPMENT IN NEPAL.

3. ADB GRANT OF \$200,000 EQUIVALENT WOULD FINANCE FOREX  
COSTS OF 25 MAN-MONTHS OF CONSULTANT SERVICES. CONSULTANTS  
WOULD DEMARCATÉ PROJECT AREA, ASSESS AVAILABILITY OF  
GROUNDWATER FOR YEAR-ROUND IRRIGATION ON LONG-TERM  
ARTESIAN FLOW BASIS AND PREPARE COMPLETE DEVELOPMENT  
PROGRAM INCLUDING TUBEWELLS, IRRIGATION AND DRAINAGE  
FACILITIES, SERVICE ROADS, OTHER BASIC INFRASTRUCTURE;  
AG SUPPORT SERVICES AND INSTITUTIONS TO PROVIDE SUCH  
INPUTS AS EXTENSION, CREDIT, MARKETING; PROCUREMENT  
OF EQUIPMENT, CONSTRUCTION MATERIALS, FARM MACHINERY;  
ESTIMATE ALL COSTS AND CALCULATE INTERNAL RATES OF  
RETURN; RECOMMEND INSTITUTIONAL AND MANAGERIAL NEEDS  
INCLUDING CONSULTANCY SERVICES FOR CONSTRUCTING,  
OPERATING AND MAINTAINING PROJECT; TRAIN COUNTERPART  
PERSONNEL TO FORMULATE SIMILAR PROJECTS.

4. CONSULTANT TEAM WOULD CONSIST OF GROUNDWATER EXPERT,  
IRRIGATION ENGINEER, AGRONOMIST, AG ECONOMIST,  
INSTITUTION EXPERT. CONSULTANTS WOULD SUBMIT INCEPTION  
REPORT WITHIN ONE MONTH OF MOBILIZATION; SPEND TOTAL  
3 MONTHS IN FIELD, 2 ADDITIONAL MONTHS AT HOME OFFICE  
PREPARING FINAL REPORT WHICH WOULD BE SUBMITTED WITHIN 7  
MONTHS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 09983 220404Z

5. BANK TA GRANT TO COVER CONSULTANT REMUNERATION, PER  
DIEM, INT'L TRAVEL, EQUIPMENT RENTAL, REPORT PREPARATION  
AND PRINTING, CONTINGENCIES, TO TOTAL OF 200,000; GOVT  
TO PROVIDE LOCAL CURRENCY CONTRIBUTION COVERING LOCAL  
STAFF, LOCAL TRANSPORT, OFFICE EQUIPMENT AND HOUSING,  
MISC. EXPENSES, TO VALUE EQUIVALENT OF \$35,000. GOVT  
ALSO TO PREPARE TOPO MAPS, METEOROLOGICAL AND HYDROLOGI-

CAL, OTHER NEEDED BASE LINE DATA PRIOR TO INCEPTION OF CONSULTANTS' FIELD WORK.

6. DEPT. OF IRRIGATION, HYDROLOGY AND METEOROLOGY OF MINISTRY OF FOOD, AGRICULTURE AND IRRIGATION WOULD BE EXECUTING AGENCY; BANK CONSIDERS IT COMPETANT TO CARRY OUT PROJECT; ALREADY EXECUTING AGENCY TWO OTHER ADB PROJECTS. (KANKAI IRRIGATION AND CHITWAN VALLEY DEVELOPMENT). ACCESS TO AREA BEING PROVIDED BY AID-FINANCED DHANGARHI-DANDEL DHURA ROAD; EAST-WEST HIGHWAY AND ANOTHER PARALLEL ROAD 80 KM. NORTH UNDER CONSIDERATION FOR 5TH PLAN. AGRICULTURAL INPUTS CORPORATION (AIC), AGRICULTURAL DEVELOPMENT BANK OF NEPAL (ADBN) AND CO-OPS ACTING ON BEHALF OF RICE EXPORT CORPORATION EXPECTED TO PROVIDE NEEDED AG INPUTS AND SERVICES. LAND MOSTLY CULTIVATOR-OWNED IN SMALL-HOLDINGS. PADDY AND WHEAT MAIN CROPS; LOW YIELDS AND LOW CROPPING INTENSITY DUE LACK OF WATER, ABSENCE OTHER MODERN INPUTS.

7. PROJECT TO BE FORMULATED EXPECTED TO INCLUDE 200 TEN-INCH TUBEWELLS WITH RELATED IRRIGATION AND DRAINAGE SYSTEMS; AG DEVELOPMENT PROGRAM TO PROVIDE INPUTS AND MARKETING; ESTIMATED CAPITAL COST OF \$12 MILLION OF WHICH \$7 MILLION WOULD BE FOREX; ECONOMIC RATE OF RETURN ROUGHLY PROJECTED TO BE 15 PERCENT. UNDER BANK'S PROCEDURES, IF CAPITAL LOAN RESULTS FROM TA, PORTION OF GRANT OVER \$100,000 WOULD BE INCORPORATED INTO LOAN.

8. USADB RECOMMENDS FAVORABLE ACTION. REQUEST KATHMANDU'S COMMENTS FOR NAC AGENCIES, INFO USADB MANILA, PURSUANT TO STATE 119795 DTD 3 MAN 1972.  
SULLIVAN  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MANILA 09983 220404Z

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IRRIGATION, TECHNICAL ASSISTANCE GRANTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA09983  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750252-0188  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750734/aaaabehg.tel  
**Line Count:** 154  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUL 2003 by CunninFX>; APPROVED <19 NOV 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED ADB TECHNICAL ASSISTANCE (TA) TO NEPAL FOR DHANGARHI GROUNDWATER DEVELOPMENT PROJECT  
**TAGS:** EAID, EFIN, NP, ADB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006